# GOVERNMENT OF INDIA
# COMPANY AFFAIRS
# LOK SABHA

UNSTARRED QUESTION NO:2990
ANSWERED ON:12.08.2005
NATIONAL COMPANIES LAW TRIBUNALS
Mehta Shri Alok Kumar;Singh Shri Sitaram

**Will the Minister of COMPANY AFFAIRS be pleased to state:**

(a) whether the Government propose to activate National Company Law Tribunal (NCLT) and National Company Law Appellate Tribunal (NCLAT);

(b) if so, the time by which these are likely to be activated; and

(c) the manner in which NCLT/NCLAT is likely to help in better administration of the Companies Act and other Allied Acts?

## Answer

MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a) & (b) The constitution of National Company Law Tribunal (NCLT) and National Company Law Appellate Tribunal (NCLAT) as provided for under the Companies Act, 1956, is sub-judice on account of a Special Leave Petition (SLP) filed by the Central Government in the Supreme Court, following a ruling by the Madras High Court on a petition challenging some provisions of the Companies (Second Amendment) Act, 2002. Therefore, no time schedule for setting up of NCLT can be stated at present.

(c) The Companies (Second Amendment) Act, 2002 provides for a specialized forum in the form of NCLT/NCLAT to adjudicate on company law matters including rehabilitation, liquidation and winding up of companies by transferring the jurisdiction of the Company Law Board, Board for Industrial & Financial Reconstruction(BIFR)/Appellate Authority for Industrial & Financial Reconstruction (AAIFR) and the High Courts respectively relating to the above matters, to the proposed tribunal. However, on account of the NCLT not having been constituted due to the reasons stated at (a) & (b) above, these provisions are yet to be notified.